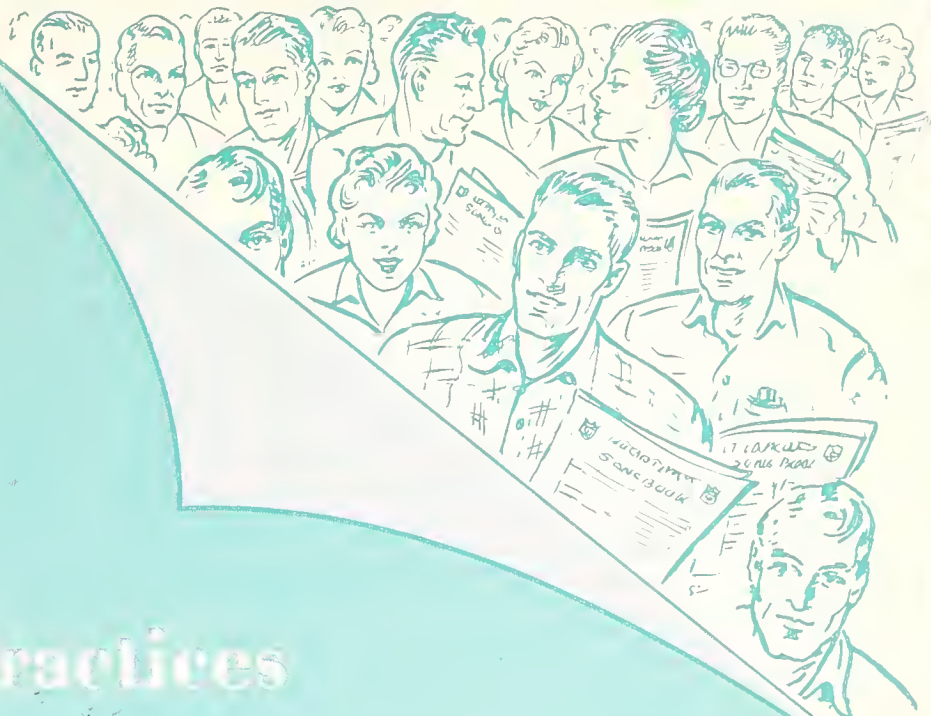


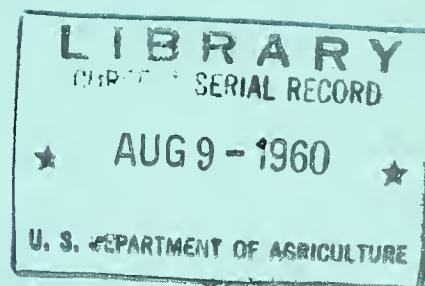
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3
Membership Practices
of Local Cooperatives //



by Oscar R. LeBonn

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Farmer Cooperative Service,
U. S. Department of Agriculture //

General Report #1
July 1960 //

The Farmer Cooperative Service conducts research studies and service activities of assistance to farmers in connection with cooperatives engaged in marketing farm products, purchasing farm supplies, and supplying business services. The work of the Service relates to problems of management, organization, policies, merchandising, product quality, costs, efficiency, financing, and membership.

The Service publishes the results of such studies, confers and advises with officials of farmer cooperatives, and works with educational agencies, cooperatives, and others in the dissemination of information relating to cooperative principles and practices.

Joseph G. Knapp, Administrator
Farmer Cooperative Service
U. S. Department of Agriculture

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Highlights

Local cooperatives, often operating on limited budgets, find it particularly difficult to build and maintain favorable member relations. Most of them cannot afford the services of a specialist in this field. Notwithstanding, many of them are doing effective work in cementing good relations with their members.

This report discusses a variety of devices and practices that local farm supply and marketing cooperatives find useful in maintaining good member relations. It is based primarily on information supplied by 331 representative cooperative managers throughout the United States.

These associations varied greatly as to number of members, volume of business, services performed, and pattern of operation. Thus, they had to exercise a great deal of resourcefulness and initiative in developing practices suited to their respective situations.

The annual membership meeting was by far the most commonly used means of communication. Moreover, obtaining good attendance was a problem that concerned many.

Food, guest speakers, and prizes were the devices used most frequently to build up attendance. Five-sixths of the cooperatives studied served either light refreshments or a meal.

Prizes were offered by two-fifths of the cooperatives. Farm supply cooperatives were more likely to offer prizes than marketing associations were. There was little apparent relationship between the percentage of members attending and the availability of prizes.

Excluding food and prizes, these cooperatives used special speakers more often than all other devices combined. While a good guest speaker, properly publicized, can help to get out the crowd, the low attendance reported suggests that additional appeals are needed to build attendance.

Additional program features utilized were instrumental music, group singing, team demonstrations, and hired entertainment. Some cooperatives reported using educational films effectively. Scattered references were made also to quiz contests, talent shows, beauty contests, house warmings, note burnings, and other special features.

Two-fifths of the cooperatives reported conducting membership meetings other than the annual meetings. Most of these did so but once yearly.

Among the printed media used effectively in keeping members informed were: (1) The membership publication, or newsletter; (2) the manager's annual report; and (3) special leaflets designed to cover selected subjects.

One-third of the cooperatives issued a membership paper or newsletter; but only one-sixth did so regularly. Fewer than half of the cooperatives mailed the manager's annual report to their members.

The need for more audience participation was reflected in the generally low attendance at annual meetings, the limited time devoted to questions and answers, and the relatively few members that offered suggestions and complaints.

Cooperatives in this study had been slow in calling on members' wives for assistance. This is reflected by the scant attendance of women at membership meetings, their limited assignment to association committees and advisory

groups, and their infrequent appearance on annual meeting programs.

Another area warranting increased emphasis is that of training future cooperative leaders. Among the activities contributing to this goal were the visits of youth groups to cooperatives, their attendance at cooperative meetings and conferences, and their participation in public speaking events and other special activities sponsored by cooperatives. A few cooperatives, however, have pioneered in establishing junior directorships and special training opportunities for selected young people.

To build and maintain good community relations, cooperatives relied on a variety of communication media. These included person-to-person contacts of directors and employees, periodic news stories, and the use of radio, television, and other modern communication devices.

The best planned annual meeting programs, the best organized annual reports, the best membership publications, and the best financial statements as reported in this study were generally those of cooperatives having access to editorial, auditing, and other assistance available from a State or regional organization.

Acknowledgement is made to the 331 representative cooperative managers who provided information for this study. Also, appreciation is expressed to John H. Heckman, former Chief, Membership Relations Branch, Farmer Cooperative Service, for assistance in planning the study, and to Irwin H. Rust, now Chief of the Branch, for suggestions in preparing this report.

X Membership Practices of Local CooperativesX



by Oscar R. ²LeBeau,

Membership Relations Branch

Management Services Division

Cooperative managers and directors interested in maintaining favor-

able relations with their members frequently ask about the membership practices of other associations. This report is designed to answer many of those questions as well as to create interest in solving many of the member relations problems confronting farmer cooperatives.

Purpose and Scope of Study

To obtain a general picture of the membership practices of local cooperatives, Farmer Cooperative Service mailed a special questionnaire recently to 511 cooperative managers throughout the United States. Details of how the sample was drawn are summarized in the appendix, page 24.

Sixty-five percent of the managers replied, yielding a total of 331 usable replies.

The cooperatives replying were grouped into three general categories: Marketing animal products, 107; marketing crop products, 121; and handling farm supplies, 103. Thus each of the three groups constituted roughly one-third of the responding cooperatives. When a comparison of these groupings is significantly different, the matter is covered in the subsequent text.

In addition to the questionnaire data, many of the 331 responding managers supplied annual meeting programs, annual reports, and other information helpful in interpreting their membership practices.¹

A local cooperative may be defined as any marketing or farm supply association that serves a moderate-sized territory. As used in

¹Membership practices are the methods and devices cooperatives use to maintain the two-way flow of information, understanding, and participation essential to maintaining good relations between cooperative personnel and members.

this study, "local" implies an area that does not extend beyond several counties. A "local" may, or may not be affiliated with a regional cooperative.

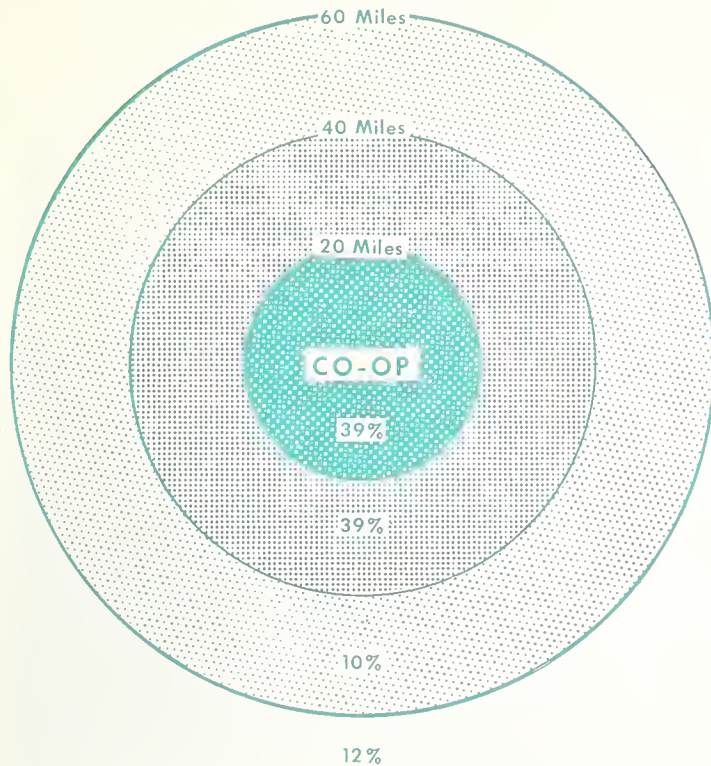
Of the 331 cooperatives studied, two-fifths served areas up to a 20-mile radius; another two-fifths served up to a 40-mile radius; and the remaining one-fifth served a radius of 40 miles or more (figure 1).

On the whole, farm supply cooperatives served larger areas than



Maintaining 2-way communication channels between management and members is an important principle of good membership relations.

Figure 1
Distribution of Local Cooperatives
by Size of Territory Served



Four-fifths of the Local Cooperatives Serve Areas of Less Than 40 Miles Radius

The median local cooperative represented in this study had 300 members. In addition it served a sizable number of nonmember patrons, many of whom normally become paid up members subsequently.

The typical local cooperative performs more than one service for its members. For example, more and more farm supply cooperatives are extending their services to include marketing, and many marketing cooperatives are now handling farm supplies. All are under pressure from their members to offer related services.

Most of the cooperatives studied (92 percent) operated the year round. The responsibility for membership relations fell directly on the manager in 80 percent of the associations. These characteristics are more fully discussed in the appendix on page 25.

Most of the membership practices reported can be grouped under the following major headings: (1) Cooperative meetings; (2) periodic reports; (3) member participation; and (4) community activities.

marketing cooperatives. Cooperatives marketing animal products served somewhat larger areas than those marketing crop products.

Cooperative Meetings

Meetings constitute one of the most important aspects of a cooperative's membership work. The quality and type of meetings held can have a significant bearing on the degree of membership understanding and support the cooperative enjoys.

While there are many kinds of cooperative meetings, most of them

can be grouped under three general headings: (1) Annual membership meetings, (2) educational meetings, and (3) directors' meetings.

Annual Membership Meetings

For most cooperatives, the annual meeting for members is the most significant event of the year.



The annual membership meeting is the most significant event of the cooperative's year. Many months of careful planning are necessary to build interest and attendance.

However, many associations in this study found it a major problem to obtain good attendance.

Member Attendance

About half of the associations had a turnout of between 100 and 300 members at their last annual meeting. The median was 175.

The lowest one-fourth had an attendance of fewer than 100 members. The highest one-fourth had 300 or more.

The median attendance for the replying cooperatives was 31 percent of the members. Marketing cooperatives had a median attendance of 35 percent, while farm sup-

ply cooperatives had 18 percent, roughly half as favorable.

Total Attendance

Alert cooperative leaders often seek to encourage prospective members, members' wives, young people, and invited guests to attend their annual meetings.

When these additional people are included, the median total attendance was around 275 persons, or 100 above the median attendance of members only.

Length of Program

The annual meetings of these cooperatives varied in length from

less than 2 hours to more than 6 hours.

Relatively few local cooperatives held all-day meetings. Those with the longer programs frequently started at 10:00 a.m. and ran through the afternoon.

Nearly half of the associations held meetings of 4 hours or less. Practically all of this number held their meetings in the afternoon.

About half of the local cooperatives held their annual meetings in the evening. With improved roads and faster transportation, this practice appears to be gaining in favor.

Refreshments Served

Whether a meal was served or refreshments offered depended largely on the time of day and the length of the meeting.

Those holding afternoon meetings frequently started with a luncheon or ended with refreshments.

In the case of night meetings, some held a social hour and supper before the business session began. Others offered refreshments following the meeting.

All told, five-sixths of the cooperatives served food. The number serving meals was about twice that serving light refreshments.



A good meal--efficiently served--adds to the pleasure of the members.

Prizes Offered

Prizes were offered by about two-fifths of the cooperatives. These were used as a means of attracting and holding attendance. A number of associations offered awards as part of a quiz contest or other test of skill. Frequently the prizes were simply lucky number awards.

Farm supply cooperatives offered prizes more often than marketing associations. Many used one or more of their merchandise items as awards.

There was little apparent relationship between the percentage of members attending and the availability of prizes. This can be explained in part by the fact that prizes tended to be used by cooperatives that had an attendance problem and recognized it.

General observation leads to the conclusion that while prizes are useful in procuring initial attendance, they are of limited value unless buttressed by adequate publicity and a well-planned, well-conducted meeting.

Additional Program Features

While food and prizes were among the most frequently used attractions, a number of the cooperatives listed additional features in their annual meeting program. These included such items as special speakers, instrumental music, group singing, team demonstrations, and hired entertainment.

Special speakers headed the list, two-thirds checking this item. Ex-

cluding food and prizes, special speakers were mentioned more often than all the other items combined. Perhaps this is because they are more easily arranged than are some other special features.

Next in frequency were instrumental music (25 percent) and group singing (10 percent). Mentioned less frequently were team demonstrations and magician performances. The latter have been used successfully in certain instances.

Educational Meetings

In addition to the annual membership meeting, educational meetings are sometimes advocated as a means of keeping members informed. When asked whether their association had conducted educational meetings, only two-fifths of the cooperatives replied "yes." Of those that held such educational meetings, by far the greatest number did so but once a year.

Cooperatives marketing livestock or fruits and vegetables predominated among those holding special meetings.

From this it can be seen that relatively few local cooperatives are conducting special educational meetings for their members. This would seem to be an activity worthy of further exploration.

Directors' Meetings

In addition to the educational meetings mentioned above, regularly scheduled meetings of the board of directors are paramount



Including some local entertainment helps to maintain interest. These young men are supplying an enjoyable interlude with their string instruments.

to good member relations. Such meetings are important for several reasons.

First, the directors serve as the official representatives of the members regarding any business that comes up between membership meetings. Obviously the directors cannot fulfill this responsibility adequately unless they meet often enough to keep abreast of developments.

Second, periodic meetings enable directors to compare their ideas and to act jointly and collectively concerning all business details.

Incidental data gathered in this study showed that most boards of directors met at fairly regular intervals. Most of the boards met either monthly, bimonthly, or quarterly. This corresponded generally with the findings contained in FCS General Report 8.² That study showed that 58 percent of the boards met 10 or more times annually; 34 percent met four to nine times; and the remaining 8 percent met one to three times yearly.

² LeBeau, Oscar R., Educational Practices of Farmer Cooperatives, Gen. Rpt. 8. Farmer Cooperative Service, U. S. Dept. of Agr., June 1954.



Regular meetings of the board of directors are paramount to good member relations. These men hold the key to cooperative success.

Periodic Reports

A prime requisite to an informed and understanding membership is an adequate system of periodic reporting.

Among the most effective media for keeping members informed are: (1) Membership publication or newsletter; (2) manager's annual report; and (3) special leaflets designed to cover selected problems and situations.

Only one-third of the cooperatives issued a publication for their members. Of this number, about half did so regularly. This means that only one-sixth used this important medium with any degree of regularity.

Of the associations that issued newsletters regularly, most did so on a monthly or quarterly basis.

Membership Publications

A cooperative publication, or newsletter, is one of the most practical means for keeping members informed. Yet, many local cooperatives in this study failed to use this important medium.

Manager's Report

A helpful means of highlighting the significant events of the year is for the manager to distribute to the members copies of his annual report, or at least a digest of it. This gives the members a quick view of the volume of business

transacted and of the association's financial status.

Five-sixths of the local associations participating in this study said they prepared such reports for their members. These ranged all the way from one-page mimeographed summaries to attractively printed circulars. Some were simply financial statements while others were accompanied by a personal message from the manager.

Of the associations preparing a condensed annual report, fewer than half took the important additional step of mailing the report to all their members.

In general, the best summary statements were made by local asso-

ciations which had access to the auditing and editorial services of a regional cooperative. This was easily discernible from a comparison of the enclosures accompanying the questionnaires.

Special Leaflets

In addition to the regular cooperative publication and a summary of the manager's annual report, a number of cooperatives used a wide range of special leaflets. These included such items as a leaflet describing the local association and the services it offered, and a copy of the association's bylaws and articles of incorporation--an important document with which all members should be familiar.



Issuing a regular membership publication is one of the most practical ways to keep members informed.



An attractive annual report helps to create pride of ownership among cooperative members. Many associations issue a condensed version of the manager's report.

A number of associations made it a practice to enclose a special letter from the manager at the time they distributed their annual patronage dividend. Similarly, a number of dairy cooperatives enclosed a timely check letter from the manager with their periodic milk payments. These personalized messages have a

better-than-usual-chance of getting through to the producer-members.

Among the most attractive special notices reported were the mimeographed flyers and postal announcements which some managers used in contacting their member patrons. These had the advantage of brevity--they could be read between the mailbox and the barn. Farm supply cooperatives, for example, have found that card-sized announcements can do much to promote seasonal sales of batteries, seed, and other farm supply items.³

Question-and-answer leaflets were another means used to impart significant cooperative information. These had the added advantage of being available for distribution to groups visiting the association's facilities. Also, they were handy in answering routine inquiries about the association and the services it rendered.

With the increased competition for members' time and attention, and the growing difficulty of getting members out to meetings, cooperative leaders may need to rely more heavily on direct mail and other media to keep their members informed.

Member Participation

The strength of the local cooperative rests in large degree on the understanding and support given it by the farm families of the area. If the men, women, and children who comprise these farm families participate actively in the cooperative's affairs, its strength is greatly enhanced.

Members' Activities

Members' activities and responsibilities involve many duties.

³LeBeau, Oscar R., and Heckman, John H., Patrons Appraise Cooperative Relations, Cir. C-140., Farm Credit Administration (distributed by Farmer Cooperative Service, U. S. Dept. of Agr.), May 1951.

Among those discussed here are: (1) Attending annual meetings; (2) taking part in discussions; (3) offering suggestions and complaints; and (4) receiving visits from cooperative employees.

Attending Annual Meetings

Attendance at annual meetings is every member's responsibility. An earlier section (page 4) of this study discusses the record of attendance among the cooperatives included. Many managers and directors are determined to improve this record.

Taking Part in Discussions

An important aspect of a good meeting is that enough time be given for explanation and discussion. Here we asked, "Was membership discussion on annual report limited or lively?" Three-fourths of the cooperatives replied "limited." Only one-fourth replied "lively."

Nearly three-fifths of the respondents devoted less than half an hour to discussion. Those holding "lively" discussions usually did so from 30 to 60 minutes.

Offering Suggestions and Complaints

Encouraging members to bring their suggestions and complaints to their cooperative is one of the fundamental techniques of building sound membership support. So we also asked this question, "Are members encouraged to bring suggestions or complaints to the association?" Ninety percent of the managers answered "yes."



Ample time for questions and discussion improves members' understanding and satisfaction. This lady is asking a question.

Had this question been asked of the members instead of the managers, the percentage replying "yes" probably would have been substantially lower. In an earlier study of 2,750 patrons of 140 locals we asked, "Have you suggested any improvements during the last year?" Only 7 percent of the patrons answered "yes."⁴ One of the obvious ways of facilitating a two-way flow of information between management and members is to provide a reasonable period for questions and answers at annual meeting time.

⁴LeBeau, Oscar R., and Heckman, John H., Patrons Appraise Cooperative Relations. Cir. C-140, Farm Credit Administration (distributed by Farmer Cooperative Service, U.S. Dept. of Agr.), May 1951.

Visits to Farms by Employees

Cooperative members are usually very appreciative of visits paid to their farms by the association's employees. These personal contacts help to build and maintain good membership understanding.

To measure the use of this practice, we asked the question, "Do association employees make visits to members' farms?" Seven-tenths reported "yes." One-third of the associations reported that an employee had visited one-half or more of their members during the past year. However, two-fifths of the cooperatives said their employees had visited fewer than 10 percent of their members during the same period.

For these visits to members to be most effective, cooperative employees often need some in-service training concerning the cooperative's background and operating policies.

Women's Activities

Women have long played an effective role in the success of the family-operated farm. Their economic interests rightly extend to the portion of the farm business handled through farmer cooperatives. When given an opportunity, women have made many notable contributions to cooperatives.⁵

⁵LeBeau, Oscar R., and Heckman, John H., How Women Help Their Farm Co-ops, Cir. 15, Farmer Cooperative Service, U.S. Dept. of Agr., June 1956.



These women are enjoying a quiz exercise following a cooperative educational meeting. They help disseminate useful information about their association.

Most local cooperatives in this study have been somewhat slow, however, in developing this potential source of assistance. This is reflected in (1) small attendance of women at annual meetings, (2) the infrequent use of women on the annual meeting program, (3) their limited membership on cooperative committees, and (4) the small number of cooperatives that have named women's advisory committees.

Attendance at Annual Meetings

A natural place for a cooperative to begin is to invite members' wives to the cooperative's annual meeting. The cooperatives studied varied considerably in the emphasis given this point.

Seventy percent of the cooperatives said that they had some women present at their last annual meeting. However, the ratio of women to members was generally quite small (figure 2).

At annual meetings, all told, only 30 percent of the cooperatives had half as many women as members present. An additional 40 percent had some feminine attendance--but most often the number of women attending was less than 25 percent of the members present.

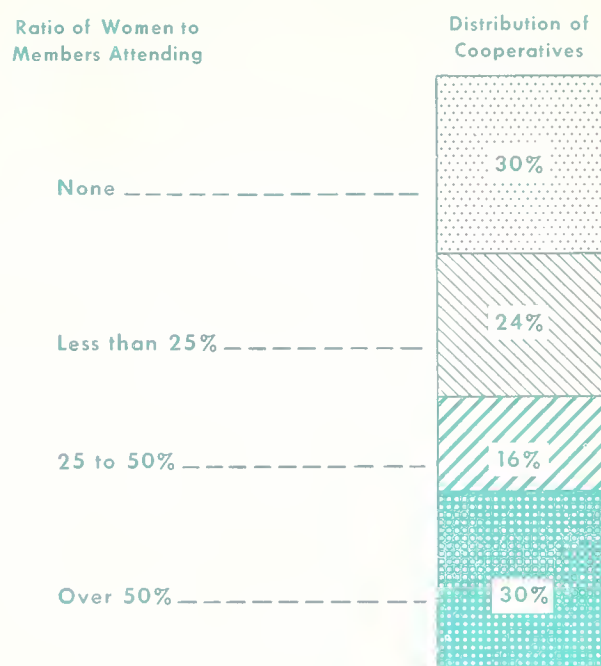
Participation in Programs

Using women on the annual meeting program helps to insure that the program contains something of interest to the women as well as the men. This helps to attract husband-and-wife attendance.

Only one-sixth of the cooperatives in this study regularly included

Figure 2

Distribution of Cooperatives by Ratio of Women to Members Attending Annual Meeting



women on their annual meeting programs. FCS Circular 22 discusses many ways in which members' wives can help to enliven the annual meeting activities.⁶

Women's participation in programs is clearly an area that needs further study and encouragement.

Representation on Committees

Having women serve on various committees is another way to achieve a family participation in cooperative activities. Such assignments help to create greater interest in cooperative activities among members' wives.

⁶LeBeau, Oscar R., and Hyre, French M., Making the Most of Your Co-op Annual Meeting, Cir. 22, Farmer Cooperative Service, U.S. Dept. of Agr., October 1957.

We asked the question, "Does the association have women representatives on committees?" Only one-eighth of the cooperatives answered "yes" to this question. Farm supply cooperatives--with 20 percent affirmative replies--had a better record in this respect than most marketing associations.

When women served on committees, it was most often in regard to refreshments or entertainment. A sprinkling of associations reported using women on their program planning, advisory, education, youth, membership, and public relations committees.

Use of Advisory Committees

A small number of the local cooperatives studied had set up women's advisory committees to help with annual meeting planning,

member contacts, product promotion, and other cooperative activities.

Actually, only 3 percent of the cooperatives reporting had such advisory committees. Practically all of these were from farm supply cooperatives. These advisory units were usually linked to the membership activities of a regional farm supply cooperative.

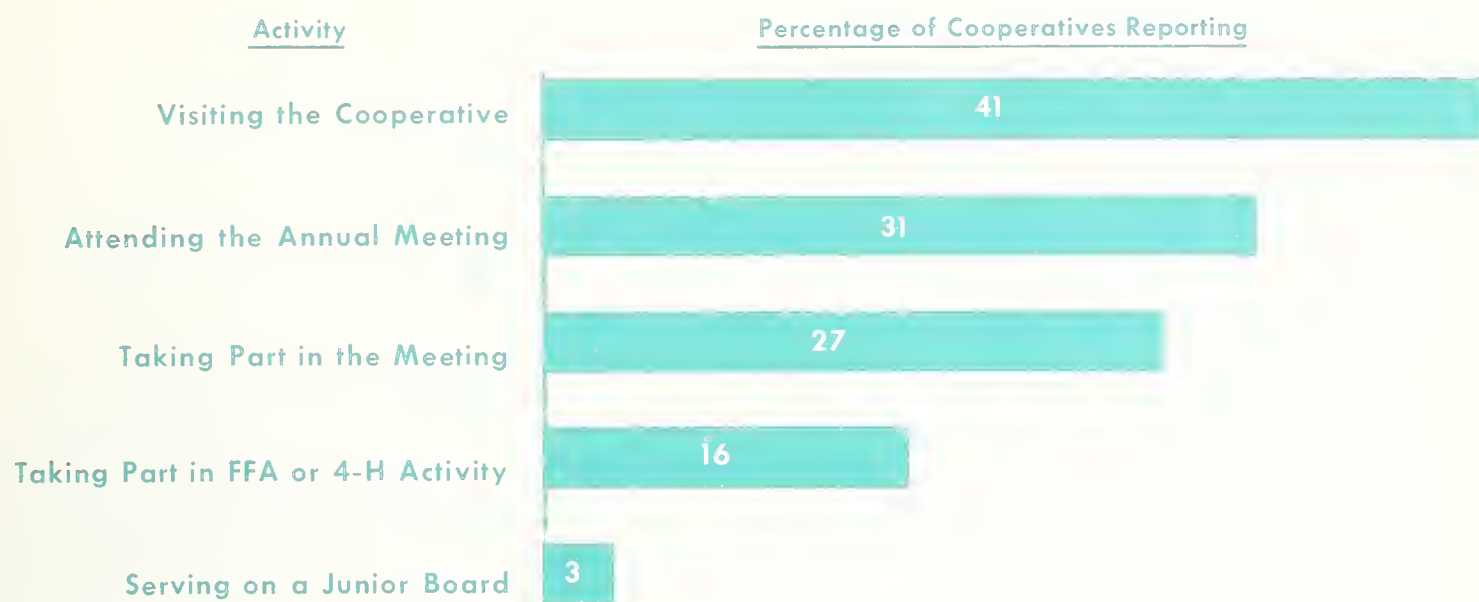
Youth Activities

If farmer cooperatives are to fulfill their responsibilities to member-patrons in the years ahead, due attention must be given to training rural young people for future leadership. This is one of the reasons the family approach to membership participation can be so helpful. It provides a natural means of creating interest in cooperatives at an early age.



These visitors are receiving on the spot explanations of the facilities and services available to the members of a farm supply cooperative.

Figure 3
Percentage of Cooperatives Reporting Specified Youth Activities



Among the cooperative activities contributing to this goal are those listed in figure 3.

The lengths of the respective bars reflect the general extent to which the local cooperatives were fostering the respective educational activities for their young people.

Visiting the Cooperative

A frequently used means of interesting young people in farmer cooperation is that of inviting FFA Chapters and 4-H Clubs to visit the cooperative's facilities. These trips are particularly valuable when they are carefully prepared for in ad-

vance and are followed by quizzes and reports.⁷

Two-fifths of the cooperatives reported being visited by such groups during the past year. Most of these entertained one or two such visiting groups annually. One cooperative in six had as many as three or more.

A closely related activity is that of inviting the manager to speak to the local agricultural students.

Attending the Annual Meeting

As a quick way for young people to learn how cooperatives serve the community, the local associations

⁷Farmer Cooperative Service, Using a Local Cooperative As Source Material for Teaching, Educ. Cir. 14, U.S. Dept. of Agr., October 1958.

can invite young folks to their membership meetings.

Three-tenths of the cooperatives reported that they made it a practice to invite young people to their annual meetings. These young visitors were sometimes asked to serve as ushers, to help serve the meals, to take part in the program, and to provide entertainment.

In other instances, these young folks simply observed how the association conducted its business and how it served its member-patrons.

Taking Part in the Meeting

Giving young people an opportunity to appear on the annual meeting program was one means used to develop their interest in cooperatives. About one-fourth of the local cooperatives made it a practice to recognize young people in this manner.

Usually this took the form of inviting them to give a musical number, an entertainment feature, an illustrated talk, or a prize-winning essay on farmer cooperation. Frequently, this has been the means of recognizing individuals who had excelled in public speaking contests or other educational activities sponsored by the association.

Earlier reference has been made to the fact that two-thirds of the local cooperatives included special speakers on their annual meeting programs (page 6). Giving some youth a chance to report what he had gained from attending a national or State conference on farmer cooperation is in line with this practice.

A number of cooperatives tried to have young farmers represented

on their board of directors and on various cooperative committees. Generally these were young men with special interest in the local cooperative.

Taking Part in FFA or 4-H Activities

A number of local cooperatives made it a practice to sponsor one or more projects annually for FFA chapters, 4-H clubs, and other youth groups in their patronage area.

About one-sixth of the cooperatives sponsored such activities in their community. Included among these were public speaking contests, cooperative quizzes, tours, summer camps, and trips to State and national cooperative meetings. Activities of this type were helpful in promoting good relations with the community. They provided useful training also to future cooperative leaders.



These young people are attending a leadership training conference sponsored by the milk cooperative to which their parents belong.

Serving on a Junior Board

Several pioneering cooperatives had established junior boards of directors within their associations to provide cooperative training for future cooperative directors. Three percent of the cooperatives had established such junior boards.

While the idea of junior boards is still in the exploratory stage, various cooperative leaders who have tried it are enthusiastic about its possibilities. Serving on such boards provides the young men with excellent training and experience regarding cooperative problems and activities.⁸

Community Relations

Since the progress of the local cooperative is so closely interwoven with that of the community, any discussion of member relations would be incomplete without some reference to the need for good community relations.

Good community relations are especially important when it comes to gaining new members for the cooperative and to procuring sympathetic understanding on the part of nonfarm people. Cooperative leaders have a responsibility for keeping the residents of the area informed about their association's activities--its goals and services.

Many of the preceding membership practices contribute similarly to favorable community relations. To present its story advantageously, the local cooperative has to rely on these and other communication media.

Especially important are the person-to-person contacts in the community, the issuance of news stories, and the use of radio and television.⁹

⁸LeBeau, Oscar R., and Heckman, John H., Cooperative Business Training for Farm Youth, Cir. 1, Farmer Cooperative Service, U.S. Dept. of Agr., January 1954.

Person-to-Person Contacts

Research studies indicate that person-to-person contacts are of front rank importance in building good community relations.¹⁰ This suggests that cooperative managers and other key personnel should strive to belong to and take an active part in, various community organization.

They need also to step forward when volunteers are requested to help with community charity drives, local improvement plans, and other community projects. In this way they become known and respected as community leaders.

News Articles

Giving out periodic stories to the local papers is an inexpensive means by which associations can spread

⁹Heckman, John H., Farmer Cooperatives and the Community, Information 8, Farmer Cooperative Service, U.S. Dept. of Agr., July 1958.

¹⁰LeBeau, Oscar R., and Heckman, John H., Patrons Appraise Cooperative Relations, Cir. C-140, Farm Credit Administration, (distributed by Farmer Cooperative Service, U.S. Dept. of Agr.), May 1951.



Person-to-person contacts are vital in building favorable relations.

such news releases on a weekly, monthly, or other regular intervals.

Radio and Television

Radio and television newscasts have considerable potential for building good public relations and for advertising the goods and services available.

Cooperatives in this study had been making relatively little use of these two important communication aids. Only about one-fourth of the cooperatives reported that they sponsored radio and television programs. One out of six did so regularly. Cost was obviously a deterring factor.

The local cooperatives most often using radio and television were those affiliated with some State or regional organization.

information to the community. Most local editors welcome this kind of news if the articles are well prepared and written from the viewpoint of service to the community.

Farm supply cooperatives--with products to sell--were using the television and radio more frequently than marketing cooperatives.

This study indicates that less than three-fifths of the local associations avail themselves of this opportunity. Most of those that utilized the local press did so on special occasions only. Only a scattering of cooperatives made it a practice to issue

Many other cooperatives might use these mass communication channels with benefit. Particularly worth exploring are the brief spot announcements on radio and television used in conjunction with newspaper, direct mail, and other advertising media.

Membership Relations — Whose Responsibility?

According to this study, the key man in the local cooperative's membership program is most often the

manager. This responsibility fell directly on the manager in 80 percent of the cooperatives.

Only occasionally did the responding cooperatives have an assistant manager, office manager, secretary-treasurer, fieldman or other employee to whom the manager could delegate this work.

In some instances, the elected directors of the cooperative were assigned this job. Then, too, a number of cooperatives depended largely on a general farm organization like the State Farm Bureau Federation, the Grange, or Farmers Union for the cooperative education work that was done.

This much is certain: Not much membership relation work is likely to be undertaken unless the manager himself is sold on its importance and gives it active direction and support.



A telephone inquiry may be the manager's clue to a new membership problem that merits attention.

State Cooperative Councils and Regionals Can Help

Leaders of local cooperatives face a tremendous task with the limited personnel and funds available to do the kind of cooperative education and membership relations work required by the times.

The associations most likely to succeed are those that are joining hands with neighboring cooperatives in their State or region to procure the overall leadership and services needed. The small, individual association that attempts to pursue a lonely, isolated course is destined to have tough sledding in the years ahead.

Many local associations not members of a State cooperative council could benefit greatly from the serv-

ices of such an organization. To date about 33 States have organized such councils (figure 4).

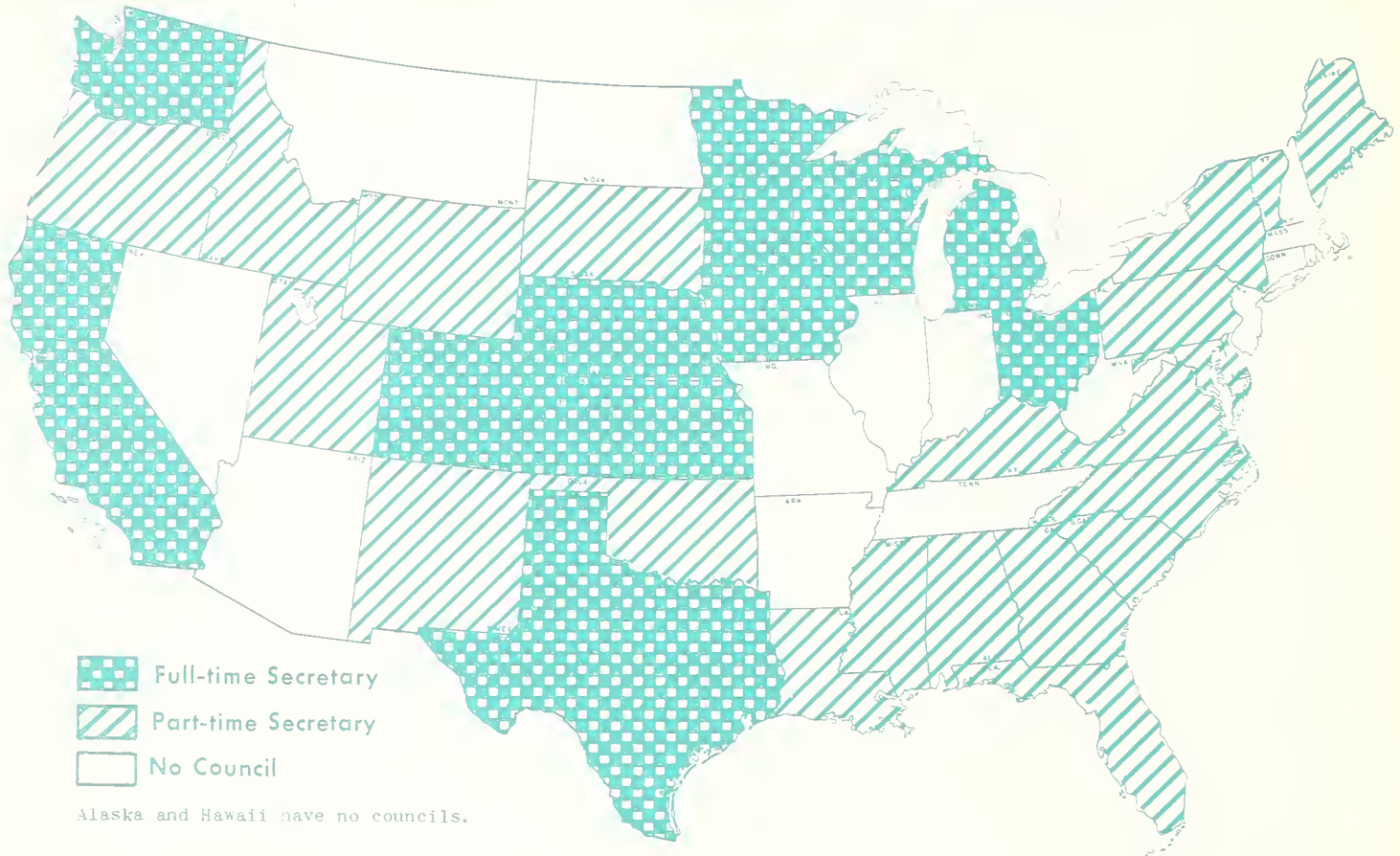
About a third of the councils have a full-time executive secretary who devotes all of his time to council work. Secretaries of the remainder serve on a part-time basis, most of them being marketing specialists or economists associated with the State colleges of agriculture.¹¹

Another major source of potential help to these local associations are

¹¹ Heckman, John H., and Searce, Jane L., The Work of State Cooperative Councils. Gen. Rpt. 26., Farmer Cooperative Service, U.S. Dept. of Agr., December 1956.

Figure 4

States with Full-Time and Part-Time State Cooperative Council Secretaries



the regional farmer cooperatives that operate in most areas. Many of these stand ready to offer special

services to local associations through management contracts and other resources.

A Suggested Membership Program

Cooperative leaders looking for tested ways to develop good relations with their member-patrons will find it helpful to consider the following activities. All have been used with success under proper circumstances. Most of them can be put into effect with moderate expense. The important first step is to decide

on the specific things to be done; then start doing them earnestly and regularly.

1. Develop every director and employee into a friendly salesman. Satisfactory personal contacts are a cooperative's best asset. People prefer to do business with folks they

like and who seem interested in them. The corporate image that they have of their cooperative depends on their impression of the manager, the truck driver, and other employees with whom they have contact. This calls for a careful management and employee development program.

2. Make each annual meeting a red-letter day. Make a concerted effort to be sure that the meeting is well planned, well executed, well attended. Keep it democratic, purposeful, and enjoyable. Obtain wide participation.

3. Hold one or more additional meetings if warranted. A semiannual educational meeting, for example, may be an excellent means of getting

more member participation without overloading the annual meeting program. Explore the merit also of holding "open house" periodically, sponsoring a summer picnic, or other special events.

4. Prepare an effective annual report. Give your member-patrons an informative summary of the year's work. Illustrate it with charts, slides, and other visual aids. Prepare a condensed version to be printed in the membership publication or to be mailed to all the members. This makes it possible to reach those who miss the annual meeting.

5. Issue a periodic membership publication. Keep members informed



These FFA boys are visiting a local livestock producers association to study cooperative marketing activities first hand.

regarding the association's activities, problems, accomplishments, and other matters. A good newsletter can be anything from a simple one-page mimeographed sheet to a full-fledged letter press job of magazine proportions. There is a suitable size for every association. The membership publication is the best single medium available for reaching every member with a uniform message.

6. Prepare special leaflets for members use. Supply each member with an up-to-date copy of the association's bylaws. Prepare occasional leaflets covering frequently asked questions and their answers. Have a special leaflet that can be used in acquainting new members with the cooperative's background, objectives, and accomplishments.

7. Distribute selected cooperative circulars. Use cooperative literature obtainable from the Farmer Cooperative Service of the U.S. Department of Agriculture, the American Institute of Cooperation, the National Council of Farmer Cooperatives, the Cooperative League of the USA, the State Agricultural Colleges, the State Cooperative Councils, and other sources. Of equal help are motion picture films, slides, illustrative talks, and other special aids, available from various sources.

8. Maintain an up-to-date mailing list. Be ready at a moment's notice to contact each member by mail. An up-to-date mailing list, preferably an addressograph list, is a must for mailing newsletters, meeting announcements, and other notices. Investigate stationery costs and postal rates to make sure that your mailing costs are as favorable as possible. Revise your membership

list regularly to include any new members and to exclude those inactive or deceased. Have a supplementary list of prospective members, public officials, and other persons to whom selected announcements can be sent.

9. Supply news regularly to local papers and periodicals. Send your local editor periodic releases pertaining to the cooperative's activities and services. Discuss your activities with him. Invite him to special events. Supply him with a reasonable amount of paid advertising as well as news.

10. Use local radio and television outlets. Develop topics that can be used on radio and TV newscasts. Local station directors welcome public service features that have a general interest to their listeners. This is a good way to reach a wide audience, including many potential members and patrons. A number of cooperatives are using radio and television as an advertising medium with good results.

11. Foster the family approach to member relations. Keep in mind that farming is predominantly a family enterprise involving husband, wife, and children. Enlist their interest and services, plan your meetings, select your committee members, and write your releases with these in mind. Build your membership relations program around the entire family.

12. Provide cooperative educational opportunities for rural youth. Work with the local school administrators, agricultural extension leaders, and others in supplying informational material, arranging study tours, and offering other types of cooperative training for rural youth.

Donate selected cooperative leaflets to public schools and 4-H clubs with the compliments of your association. Explore the feasibility of establishing junior directorships within your cooperative as a means of training future cooperative leaders.

13. Maintain attractive headquarters and facilities. Select a prominent location with an attractive approach, pleasing surroundings, and adequate parking facilities. Provide clean rest rooms, a community bulletin board, and other facilities for members' convenience. Insist on a high standard of orderliness and neatness. Display the cooperative's name and emblem prominently on its major buildings, trucks, and other principal equipment.

14. Cultivate friendly community relations. Keep your best foot forward in all community contacts. Invite your local editor, local exten-

sion leaders, your local public officials, and other prominent leaders to attend significant events. Take a prominent part in all community-wide programs. Be a good neighbor, help with community improvement projects, and take a general interest in the welfare of the total community.

15. Cooperate with other cooperatives. Watch for ways you can work in unison with other associations. This may mean procuring your feed, fertilizer, and other farm supplies from a wholesale cooperative, or it may mean marketing your commodity through cooperatively owned facilities and firms. Affiliate with the State, regional, and national groups that provide educational and legislative assistance. Many of these larger organizations are in favorable positions to offer managerial, editorial, accounting, auditing, and other much needed assistance.

Appendix

How the Sample Was Drawn

To obtain information for this report, Farmer Cooperative Service sent a questionnaire to 511 cooperative managers.

The cooperatives contacted represented a systematic sample (each twentieth card) drawn from the 8,969 local marketing and farm supply associations currently on record with the Service.

The sample was selected to cover all types of marketing and farm supply cooperatives and to include

associations from each of the States. A dozen or so additional cards were drawn to enable each minor subgroup to be represented.

Sixty-five percent of the managers contacted responded, yielding a total of 331 usable replies. Thus the final responses represented approximately 3.7 percent of the marketing and farm supply associations in the country.

Appendix table 1 summarizes the number and the membership of the cooperatives that responded.

Table 1.--Number and membership of cooperatives supplying data

Type of cooperative	Number of usable schedules received	Members per cooperative	
		Median	Range of middle 80 percent ¹
Marketing animal products:			
Dairy and poultry	80	250	11 to 1,184
Livestock and wool	27	250	63 to 800
Subtotal	107	250	32 to 940
Marketing crop products:			
Grain	69	350	13 to 850
Fruits and vegetables	29	75	20 to 200
Cotton, etc.	23	163	48 to 628
Subtotal	121	270	52 to 700
Farm supply	103	537	149 to 1,948
All types	331	300	45 to 1,300

¹After dropping lowest and highest 10 percent.

Characteristics of the Associations Studied

To obtain a general picture of the local cooperatives studied, let's examine a few of their characteristics. These include: (1) The number of members served; (2) the relative number of nonmember patrons; (3) the multiple services performed; and (4) whether the cooperative operates year-round.

Number of Members Served

The median local cooperative in this study had 300 members. This means that half of the associations reporting had fewer and half had more than 300 members. Farm supply cooperatives had a median membership of 537 members, or almost twice the 260 for marketing associations. Within each commodity group the number of members ranged widely.

Taken as a whole, 10 percent of the cooperatives reporting had fewer than 45 members, while the largest 10 percent had more than 1,300. The middle 80 percent fell between these limits.

Service to Nonmember Patrons

In addition to the question on how many members the cooperative had, each was asked "How many nonmember patrons are served?" The number of nonmember patrons ranged from "none" to several times the number of members in some associations.

Data in appendix table 2 indicate that many cooperatives accepted business from nonmember patrons.

A contributing factor may be that the increased volume permits greater efficiency and lower unit costs.

Table 2.--Proportion of nonmember patrons to members, by type of cooperatives

Proportion of nonmember patrons to members	Type of cooperatives	
	Marketing	Farm supply
	<i>Percentage distribution</i>	
None	10	2
Less than 50 percent	65	65
50 percent and over	25	33
Total	100	100

The ratio of nonmember patrons to members was somewhat higher among farm supply cooperatives, virtually all of which had open membership. Conversely, the ratio was lowest among marketing associations, many of which operated with membership contracts.

One of the problems confronting local cooperatives is how to get nonmember patrons to become full-fledged, participating members. Since the right to vote is limited to members, this situation naturally has a bearing on annual meeting attendance, adequate member equity, and other membership matters.

In the case of the farm supply associations, these nonmember patrons usually become members automatically as soon as they have done enough business with the cooperative to entitle them to a paid membership. While this procedure has certain advantages in that it requires no direct outlay of cash, it imposes a responsibility on the cooperative to keep the new members informed concerning the cooperative's back-

ground, objectives, and services. To be good members they need to know their duties and responsibilities as well as privileges.

Many Perform Multiple Services

Most local cooperatives perform more than one service for their members. This is in keeping with the current trend toward greater business integration.

Forty-five percent of the associations classed as farm supply cooperatives had extended their services to include production credit, spraying, transportation, marketing, and other activities. Many engaged in hatchery services, feed grinding and mixing, machinery repair, bulk delivery of oil, lime, fertilizer and feed, and numerous related services.

Marketing cooperatives reported a similar expansion and diversification of services. All told, 55 percent of the cooperatives marketing crop products also handled production supplies, while 75 percent performed one or more related services.

Likewise, of the cooperatives marketing animal products, about 25 percent handled production supplies, while 40 percent performed other related services.

The related services offered by the marketing associations included production credit, fertilizing, spraying, dusting, harvesting, hauling, slaughtering, processing, refrigerating, storing, shipping, and a myriad of other services essential to an integrated production and marketing program.

Year-Round or Seasonal?

Whether the cooperative operates on a continuous or a seasonal basis has a bearing on its membership relations needs.

Of the cooperatives responding, 92 percent reported that they operated the year-round. Their continuous operation made it easier to formulate and carry out a membership relations program. For one thing, employees were more likely to be available to carry through on the planning of annual meetings, the publishing of a newsletter, and other important activities.

The few cooperatives that operated on a seasonal basis were mostly livestock shipping associations, cotton gins, or fruit and vegetable marketing cooperatives. These need a program of membership education that is geared to the peaks and valleys that accompany a seasonal operation.

Other Publications Available

- What is a Co-op? Bulletin Reprint 6.
- Agricultural Cooperation--Pioneer to Modern. Bulletin Reprint 5.
- Sizing Up Your Cooperative. FCS Educational Circular 11.
- The Story of Farmer Cooperatives. Educational Circular 1.
- Three Principles of Agricultural Cooperation. Circular E-24. Ward W. Fetrow.
- Organizing a Farmer Cooperative. FCS Circular 18.
- Farmer Cooperatives and the Community. Information 8. John H. Heckman
- Farmer Cooperatives in Our Community. Circular E-32. A. W. McKay.
- Making the Most of Your Co-op Annual Meeting. Circular 22. Oscar R. LeBeau and French Hyre.
- Ideas for Making Annual Meetings Effective. Reprint 9, from News for Farmer Cooperatives.
- Mr. Chairman. Information 6. Irwin W. Rust.
- How Women Help Their Farmer Co-ops, FCS Circular 15, Oscar R. LeBeau and John W. Heckman.
- Patrons Appraise Cooperative Relations. Circular C-140. Oscar R. LeBeau and John H. Heckman.
- The Work of State Cooperative Councils. General Report 26. John H. Heckman and Jane L. Searce.
- Using a Local Cooperative as Source Material for Teaching. Educational Circular 14. James L. Robinson.
- Cooperative Business Training for Farm Youth. FCS Circular 1. Oscar R. LeBeau and John H. Heckman.
- Farmer Cooperative Films. Information 2.
- Better Living. FCS Educational Aid 3.
- Agricultural Cooperation--an American Way. Educational Aid 1-A,B,C,D, E,F, and G.

A copy of these publications may be obtained upon request while a supply is available from --

Information Division
Farmer Cooperative Service
U. S. Department of Agriculture
50 Washington, 25, D. C.